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James K. Smith
Director
Federal Relations

July 15, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

Re: Notice of Oral Ex Parte Presentation
CC Docket 96-98 (Shared Transport)

Dear Mr. Caton:

In accordance with Section 1.1206 of the Commission's rules, this letter serves to document an oral ex parte presentation made on July 15, 1997. The decision-making personnel of the Federal Communications Commission in attendance were Mr. Richard Metzger, Deputy Bureau Chief, Common Carrier Bureau, Mr. Jim Schlichting, Division Chief, Competitive Pricing Division, Mr. Don Stockdale, Deputy Division Chief, Policy and Program Planning Division, and Ms. Blaise Scinto, Policy and Program Planning Division. Representing Ameritech were Mr. John Lenahan, Ms. Lynn Starr, Mr. Dan Kocher and Mr. Jim Smith.

The purpose of the meeting was to bring to the attention of staff, and have incorporated into the record of this proceeding, the attached material addressing shared transport issues contained in the record in CC Docket 97-137 (Ameritech's pending Section 271 application).

Sincerely,

A handwritten signature in black ink, appearing to read "James K. Smith". The signature is fluid and cursive, with the first name "James" and last name "Smith" clearly distinguishable.

Attachment

cc: R. Metzger
J. Schlichting
D. Stockdale
B. Scinto (w/o attachment)

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List ATTACHE

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DOCKET FILE COPY ORIGINAL

James K. Smith
Director
Federal Relations

July 15, 1997

Mr. Richard Metzger
Deputy Bureau Chief
Common Carrier Bureau
1919 M Street, NW
Room 500
Washington, DC

Re: Ex Parte Presentation
CC Docket 96-98 (Shared Transport)

Dear Mr. Metzger:

The following excerpts from Ameritech Michigan's pending Section 271 Application, CC Docket 97-137, address the issue of shared interoffice transmission facilities and demonstrate that the pending Petition for Clarification of WorldCom, Inc. filed in this docket (CC Docket 96-98) on September 30, 1996, should be denied. Moreover, to the extent WorldCom's request for clarification is regarded as a Petition for Reconsideration, it should also be denied.

Tab Number

1. Brief in Support of Application, May 21, 1997, pages 44-45
2. Affidavit of Theodore A. Edwards, pages 42-51
3. Affidavit of John B. Mayer, pages 80-84
4. Reply Brief in Support of Application, July 7, 1997, pages 18-23
5. Reply Affidavit of H. Edward Wynn, various pages
6. Reply Affidavit of Theodore A. Edwards, pages 23-40
7. Reply Affidavit of Daniel J. Kocher, various pages

Sincerely,

A handwritten signature in cursive script, appearing to read "James K. Smith", written in dark ink.

Enclosure

TAB 1

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Application by Ameritech Michigan
Pursuant to Section 271 of the
Telecommunications Act of 1996 to
Provide In-Region, InterLATA Services
in Michigan

CC Docket No. 97-137

**REPLY BRIEF IN SUPPORT OF APPLICATION
BY AMERITECH MICHIGAN FOR PROVISION
OF IN-REGION, INTERLATA SERVICES IN MICHIGAN**

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July 7, 1997

than that enjoyed by Ameritech's retail operations. Id., ¶ 44.

5. Unbundled Local Transport/Unbundled Local Switching/UNE Platform

a. "Common Transport" is Neither a Network Element Nor a Checklist Requirement.

The criticisms of Ameritech's compliance with an entire group of checklist items — unbundled local transport, unbundled local switching ("ULS"), and the unbundled network element ("UNE") platform — depend entirely on a single, legally flawed premise: that "common transport" — undifferentiated minutes of use on Ameritech's network — is a network element.^{23/} It is not.

First, the question of whether "common transport" is a network element has been pending before the Commission for over nine months and remains the subject of heated debate. Edwards Reply Aff., ¶ 44. It is perverse to assert that Ameritech has failed to comply with the checklist because it purportedly is not providing something that the Commission itself has never said must be provided. Indeed, the MPSC states that this issue "remains unresolved" while the industry awaits "clearer direction" from the Commission. MPSC, p. 40.

Second, "common transport" does not meet the Act's definition of a network element: "[A] facility or equipment used in the provision of a telecommunications service, [including] features, functions, and capabilities that are provided by means of such facility or equipment." Section 3(45). Under this definition, a network element is a discrete piece of the public switched network or a feature, function, or capability provided by such a discrete facility.^{24/}

^{23/} See DOJ, pp. 12-16; AT&T, pp. 9-12; MCI, pp. 27-28; MFS/WorldCom, pp. 20-29; CompTel, pp. 20-22.

^{24/} See also Local Competition First Report and Order, ¶ 678 ("the network elements, as we have defined them, largely correspond to distinct network facilities"); Universal Service Order, CC Docket No. 96-45, FCC 97-157 (May 8, 1997) ¶¶ 150-51 (defining "facility" as "physical components of the telecommunications network"). The Eighth Circuit's recent decision in
(continued...)

Commenters overlook this fundamental point, instead conflating unrestricted use of the network with the purchase of a "network element." See Falcone/Sherry Aff., ¶ 12.

Nor can "common transport" qualify as a UNE under the plain language of the checklist. The checklist requires a BOC to provide "[l]ocal transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services." Section 271(c)(2)(B)(v). Accordingly, the local transport required by the checklist must be able to stand on its own, separate from any other item, including switching. As defined by Ameritech's competitors, however, "common transport" cannot be provided separately from local and tandem switching. Rather, as Ameritech's network engineer explained and as Ameritech's competitors frankly admit, it must be combined with local and tandem switching to perform as Ameritech's competitors desire.^{25/} This engineering fact precludes "common transport" from being unbundled from switching as mandated by the checklist, further confirming that "common transport" is not a network element under the Act.

Third, the structure of the Act and this Commission's regulations demonstrate that "common transport" — usage of the overall network — is a service and not a UNE. There are sharp regulatory distinctions between UNEs and resale services, and "common transport" has none of the core attributes of a UNE. Edwards Reply Aff., ¶¶ 57-65. Among the core UNE attributes that "common transport" lacks:

^{24/}(...continued)

Competitive Telecomm. Ass'n v. FCC, Docket No. 96-3604, slip op. at 7 (8th Cir. June 27, 1997) recognized that the "interconnection" required by the Act includes a "physical link" to the local network, and not transmission and routing; interconnection is how CLECs access UNEs, but there is no "physical link" to the so-called UNE platform.

^{25/} See Kocher Reply Aff., ¶¶ 60-69; Bingaman Aff., Ex. 11, pp. 1-2 ("Local calls to or from LCI's local customers would be routed . . . onto the existing interoffice network, pursuant to the instructions in the switch"), Falcone/Sherry Aff., ¶ 12 (common transport "is routed dynamically through the tandem switch"); MRS, p. 21; Edwards Reply Aff. ¶ 53.

- UNEs are identifiable, physically discrete facilities or equipment "used in the provision of a telecommunications service." Section 3(45) (emphasis added). "Common transport," by contrast, encompasses the entire public switched network and is not "used in the provision of" a service — it is a service all by itself. Edwards Reply Aff., ¶¶ 63-64.
- UNEs subject the purchaser to the business risk of the facility being underutilized. Local Competition First Report and Order, ¶¶ 332, 334. "Common transport," by contrast, involves no designated facilities and would be billed based on minutes of use, placing the "purchaser" in the position of a reseller. Edwards Reply Aff., ¶¶ 59-60.
- Interoffice transport must be provided in a manner that enables CLECs to connect to collocated equipment. 47 C.F.R. § 51.319(d)(2)(iii). Because there is no physical demarcation point to "common transport" that would allow such connection, it cannot be the type of unbundled transport required by the Commission. Edwards Reply Aff., ¶ 61 & Att. 26, p. 26; cf. CompTel v. FCC, slip op. at 7 (interconnection refers to "a physical link").
- UNEs allow a CLEC to compete with innovative products and services without building a new network.^{26/} Competitors seeking "common transport," however, need have no plans for innovative network design or configuration; they simply want to purchase end-to-end service — resale — at TELRIC prices. Edwards Reply Aff., ¶ 58 & Att. 26, p. 30. As defined by competitors, "common transport" requires the identical routing, trunk ports, trunks and tandem switches used by Ameritech. *Id.*, ¶ 62. CLECs would provide no engineering, no routing, no designation of facilities. It is a classic bundled service.

Fourth, the "rebundling" language of Section 251(c)(3) does not magically transform a service into a network element. Thus, the assertion of the DOJ (pp. 14-15) and Ameritech's competitors (MFS/WorldCom, pp. 22-25; Falcone/Sherry Aff., ¶ 57) that "common transport" must be a network element because (i) Ameritech is required to combine network elements under Section 251(c)(3) and (ii) "common transport" is used in conjunction with network elements such as local and tandem switching not only begs the question, it is simply wrong. While Section 251(c)(3) certainly requires Ameritech to provide "unbundled network elements in a manner that allows the requesting carrier to combine such elements," each network element to be combined must, by definition, be capable of being provided on an unbundled basis in the first

^{26/} AT&T's claim that without "common transport" it would be forced to duplicate Ameritech's entire interoffice network (Falcone/Sherry Aff., ¶¶ 43-47) is specious from both a business and technical perspective. See Edwards Aff., ¶¶ 103-104.

instance. As defined by Ameritech's competitors, however, "common transport" cannot function without local and tandem switching. Consequently, "common transport" cannot be provided on a stand-alone basis and, therefore, does not qualify as an unbundled network element.

Fifth, "common transport" service is in fact available to CLECs today, as is the UNE platform (loops, ULS, and wholesale usage). Indeed, Ameritech is already furnishing "common transport," in the form of tariffed wholesale and access usage services, to AT&T and others every day.²⁷ See Edwards Aff., ¶ 93. The real complaint of Ameritech's competitors is with the pricing of the service, not its availability. But this complaint was resolved by Congress when it set one pricing formula for resale and another for true "network elements."

In short, the language, structure, and policy of the Act and the Commission's regulations all demonstrate that "common transport," as defined by Ameritech's competitors, is not a network element but a service already provided by Ameritech. As such, it is not the type of unbundled transport required by the checklist.

b. Ameritech is Prepared to Provide "Common Transport" Along With ULS and the UNE Platform in the Manner Sought by Competing Providers. If Required to Do So.

Intimately related to these "common transport" issues are questions related to Ameritech's obligation — and, more importantly, its operational readiness — to provide "common transport" with ULS and the so-called UNE "platform" if ordered to do so. Ameritech is both committed and operationally ready to do whatever the law requires.

Many commenters maintain that Ameritech does not satisfy the checklist because it has refused to permit CLECs purchasing ULS with "common transport" (rather than with a dedicated trunk port) to collect access charges from toll providers. (E.g., DOJ, pp. 16-19; AT&T,

²⁷ Moreover, Ameritech's array of shared transport products — including Shared Company Transport — provides competitors with a variety of competitive options for serving local exchange customers. See Edwards Aff. ¶¶ 91-92, 99-103.

pp. 3-14; CompTel, pp. 18-19.) Given Ameritech's commitment to follow the law (whatever it may turn out to be), this argument is a red herring. The only relevant question for checklist purposes is whether Ameritech would be operationally ready to furnish and bill these items in a manner that permits CLECs to collect access revenues, if Ameritech were required to do so. As Mr. Kocher explains, the answer to that question is yes. Kocher Reply Aff., ¶¶ 70-84. Ameritech's local switches have the operational capacity to furnish ULS-common transport purchasers with precise daily usage information for originating calls. By contrast, it is not now technically feasible for Ameritech's local switches — or, to our knowledge, for the local switches of any other LEC — to provide precise usage data or originating carrier identity for terminating local usage, or to identify terminating access usage with the called number. Even AT&T has explicitly recognized these facts, which is why AT&T recently conceded that carriers must agree to "rough justice" settlement factors to account for terminating usage and access until permanent industry-wide solutions are developed. *Id.*, ¶¶ 76-79, Sched. W. AT&T and Ameritech each have proposed a settlement mechanism, and Ameritech is ready to implement AT&T's flawed proposal, if legally required to do so, on an interim basis until a more appropriate settlement mechanism is ironed out. *Id.*, ¶¶ 81-82.^{21/}

Commenters also fault Ameritech for refusing to make available the UNE "platform" with "common transport" in the manner sought by Ameritech's competitors. (*E.g.*, DOJ, pp. 19-21; AT&T, pp. 17-20.) Again, although Ameritech does not believe that the Act requires

^{21/} The DOJ appears to suggest (pp. 19-21) that Ameritech cannot satisfy the checklist until it "configure[s] its switches and support systems in a manner" that would permit the actual measurement of terminating access for ULS-common transport purchasers. As Ameritech and AT&T (both with substantial experience in telecommunications engineering) have recognized, it will take some time to develop such a long-term solution. Kocher Reply Aff., ¶¶ 73-82. Thus, even though Ameritech has committed to begin developing a long-term solution upon issuance of an effective Commission order requiring it to provide "common transport" (Kocher Aff., ¶ 78), the DOJ's apparent approach would misguidedly bar BOC entry into long distance for the foreseeable future.

it to provide this sort of "platform," it will do so if the law requires. What is important here is that Ameritech is operationally capable of furnishing the "platform" upon request. As Mr. Kocher describes, Ameritech and MCI recently completed a successful trial of the platform. Kocher Reply Aff., ¶¶ 113-114. Moreover, the initial trial recently completed by AT&T and Ameritech — developed under the auspices of the DOJ to test Ameritech's ordering and provisioning processes and ability to record call detail — convincingly demonstrated Ameritech's operational readiness to furnish the platform. *Id.*, ¶¶ 85-95. AT&T and Ameritech are currently developing a protocol for an additional trial. *Id.*, ¶¶ 96-101.^{29/}

III. AMERITECH MICHIGAN AND ACI SATISFY THE REQUIREMENTS OF SECTION 272 OF THE 1996 ACT.

Ameritech has demonstrated how Ameritech Michigan and ACI, the long distance affiliate established by Ameritech Corporation, comply and will continue to comply with all of the requirements of Section 272 of the 1996 Act and this Commission's implementing regulations.^{30/} This compliance ensures that ACI will "follow the same procedures as its competitors in order to gain access to a BOC's facilities," and implements the "flat prohibition against discrimination" ordered by the Commission. Non-Accounting Safeguards First Report and Order, ¶¶ 15, 16. Predictably, several commenters allege violations of Section 272. None of their arguments has merit.

Several commenters maintain that Ameritech Michigan has not made available the required information concerning its transactions with ACI. *E.g.*, AT&T, pp. 37-39; CompTel,

^{29/} A number of commenters also take issue with other aspects of Ameritech's ULS product, as well as the MPSC's decision that requests for selective routing of OS/DA traffic for resale customers be handled through a bona fide request ("BFR"). (*E.g.*, AT&T, pp. 14-16; MCI, p. 31.) Mr. Kocher rebuts these charges in his reply affidavit (¶¶ 3-38, 40).

^{30/} Ameritech Br. 55-62; Early Aff. (ACI); Kriz Aff. (ALDIS); La Schiazza Aff. (Ameritech Michigan); Putnam Aff. (Ernst & Young); Shutter Aff. (Ameritech Corporation).

TAB 2

In the Matter of

**Application of Ameritech
Michigan Pursuant to Section
271 of the Telecommunications
Act of 1996 to Provide In-
Region, InterLATA Services in
Michigan**

CC Docket No.

**Volume 2.3:
Affidavit of Theodore A. Edwards
on Behalf of Ameritech Michigan**

PUBLIC VERSION

specific requests for unbundling of other loop types and subloop elements through the BFR Process. At this time no such requests have been received.

89. Unbundled loops are in great demand and are being rapidly deployed by competing carriers to provide local exchange service. In particular, as of April 30, 1997, Brooks Fiber had ordered or placed in service approximately XXXXXX unbundled loops in Michigan and MFS had ordered or placed in service approximately XXXXXX unbundled loops in Michigan. Thus, these two carriers alone account for over 22,000 unbundled loops, an increase of more than 30% from the 16,000 loops ordered or in service in Michigan as of December 1996 and of more than 120% since September 1996. Regionwide, competing carriers had ordered or placed in service 37,354 unbundled loops as of April 30, 1997. See Schedule 2.

V. CHECKLIST ITEM (v): LOCAL TRANSPORT

90. Checklist item (v) requires BOCs to unbundle local transport facilities, also called interoffice transmission facilities, that are dedicated to a particular customer or carrier or shared by more than one customer or carrier. 47 U.S.C. § 271(c)(2)(B)(v); 47 C.F.R. § 51.319(d). These are facilities that provide telecommunications between wire centers or switches owned by incumbent LECs or requesting telecommunications carriers. 47 C.F.R. § 51.319(d)(1). Ameritech provides access to both types of interoffice

facilities through its interconnection agreements on the trunk side of the switch and unbundled from switching or other elements.^{12/}

91. Specifically, Ameritech provides access to unbundled dedicated interoffice transport and entrance facilities and shared transport facilities as described in Schedule 9.2.4 of the AT&T and Sprint Agreements. While dedicated transport involves a circuit dedicated to a certain requesting carrier, shared transport is an arrangement where two or more carriers share the features, functions and capabilities of a dedicated transmission facility, along with the cost.^{13/} Dedicated transport is provided at a fixed rate, while shared transport is provided with several pricing options. The first option is a flat-rate circuit capacity charge based on the pro-rated capacity of the shared facility. A second pricing option is a per-minute-of-use charge set forth in Ameritech Michigan's FCC Tariff No. 2, § 6.9.1 ("Switched Transport"). A third pricing option is described below in connection with Ameritech's provision of "Shared Company Transport." Shared transport facilities may be ordered in various quantities and with or without switching. Ameritech considers requests to provide unbundled access to other interoffice transmission facilities through the BFR Process.^{14/}

^{12/} AT&T Sch. 9.2.4; Sprint § 9.2.4.

^{13/} AT&T Sch. 9.2.4(1.3); Sprint Sch. 9.2.4(1.3).

^{14/} AT&T Sch. 9.2.4(4.10); Sprint § 9.2.4(4.10).

92. Ameritech's unbundled local transport fully complies with the Act and Regulations by allowing access to both dedicated and shared transport, including all technically feasible transmission facilities, features, functions and capabilities that a requesting carrier could use to provide a telecommunications service. 47 C.F.R. § 51.319(d)(2)(ii).^{15/} This includes facilities between end offices and serving wire centers ("SWCs"), SWCs and IXC POPs, tandem switches and SWCs, and Ameritech end offices or tandems and the wire centers of other carriers or Ameritech. Order, ¶ 440. Ameritech also provides all technically feasible transmission capabilities, such as DS1, DS3, and Optical Carrier levels (such as OC-3/12/48/96). Id. Requesting telecommunications carriers are permitted, to the extent technically feasible, to connect unbundled interoffice transmission facilities to any equipment they designate, including their own collocated equipment. Id.; 47 C.F.R. § 51.319(d)(2)(iii).^{16/} As part of this element, Ameritech also provides requesting carriers with access to digital cross-connect systems in the same manner that Ameritech provides that functionality to IXCs. 47 C.F.R. §51.319(d)(2)(iv); Order, ¶ 444.^{17/}

93. Ameritech furnishes requesting carriers, including Brooks Fiber, MFS and TCG, with local transport under Ameritech's Dedicated Access Service tariff. To date, no carrier has specifically ordered unbundled shared or dedicated transport under an interconnection

^{15/} AT&T Sch. 9.2.4(4.10); Sprint Sch. 9.2.4(4.10).

^{16/} AT&T Sch. 9.5(5.3); Sprint Sch. 9.5(5.3).

^{17/} AT&T Sch. 9.5(5.4); Sprint Sch. 9.5(5.4).

agreement. Because the transport furnished under Ameritech's access tariff is identical to unbundled local transport and can be used to carry access, toll, and local traffic, there is no separate measure of the amount of local transport versus Dedicated Access Service being furnished to these carriers.

94. Ameritech's unbundled dedicated and shared transport products fully satisfy all requirements of the Act and Regulations. Some IXC's, however, have contended that a third form of transport, "common transport," also must be provided on an unbundled basis and claim that it is a requirement of the Checklist. There are major definitional, technical and conceptual problems with this position.
95. First, § 271(c)(2)(v) of the Checklist specifically requires that local transport be "unbundled from switching or other services." As a matter of engineering fact, however, the common transport requested by the IXC's is not and cannot be unbundled from switching and still operate as common transport. Consequently, common transport as requested by the IXC's is not a discrete network element and is not the form of unbundled transport required by the Checklist. This technical issue is discussed in more detail by Mr. Kocher.
96. Second, the common transport requested by the IXC's is not a network element. Rather, it is nothing more than undifferentiated usage of Ameritech's entire existing switched network on a per-minute-of-use basis. This is not consistent with the concept of a

network element set forth in the Act and Rules. Rather, the IXCs are asking for precisely the same bundled services that are already available today through Ameritech's wholesale and carrier access service offerings. The real objective underlying the carriers' position on common transport is an unwarranted price reduction, i.e., they want Ameritech to perform the same functions it provides today for wholesale and carrier access services, but to do so at a lower "network element" price and to allow competitors to retain carrier access revenues for themselves.

97. Third, contrary to claims by the IXCs, the Act, Regulations, and Order do not support their claim that common transport is a network element rather than a service. Section 152 of the Act defines "network element" as "a facility or equipment" used to provide a telecommunications service. A network element also includes features, functions, and capabilities that are provided by "such facility or equipment." However, in order to obtain a "feature, function, or capability" of a network element, the requesting carrier must first designate a discrete facility or piece of equipment, in advance, and for a period of time. The common transport defined by the IXCs, however, is in fact undifferentiated access to transport and switching blended together. Moreover, the FCC's Order clearly distinguishes between services and unbundled elements (§§ 334, 358) and, in the paragraphs where it specifically defines the obligations of ILECs to provide unbundled transport (§§ 439-51), makes no mention of common transport or to any form of transport that includes switching.

98. In all events, the issue of whether common transport may be deemed a network element is now pending before the FCC, and the FCC staff has been involved in meetings with LECs and IXC's on the issue since December of 1996. Numerous ex parte presentations have been made, for example, by Ameritech and AT&T, addressing the legal, technical and economic considerations raised by the issue. The FCC's reconsideration decision on the meaning of unbundled shared interoffice transport in CC Docket 96-98 is expected in the near future. Ameritech will of course comply with whatever the FCC decides. Indeed, Ameritech's interconnection agreements specifically provide that changes in the law will be incorporated into the agreements.⁷⁴
99. Fourth, Ameritech's unbundled local switching and other products and services provide numerous and flexible methods for a CLEC to use in entering the local exchange business. For example, new entrants may evolve from reselling wholesale services to using unbundled elements provide by Ameritech or others to self-provisioning all of its facilities, or they may use any combination of these options depending on what course they believe is economically justified. Unlike the IXC's, however, Ameritech provides products and services that do not obliterate the distinction between unbundled elements and resale.
100. Moreover, although the IXC's' definition of common transport is plainly inconsistent with the Act and Checklist and does not constitute a network element, Ameritech has

⁷⁴ AT&T §§ 29.3, 29.4; Sprint §§ 29.3, 29.4.

developed an additional transport pricing option for the benefit of carriers that want to combine unbundled local switching ("ULS") with unbundled transport. The unbundled transport arrangements initially proposed by Ameritech required use of dedicated facilities at a DS1 or higher level for direct connections to other end offices or to a tandem on either a dedicated or shared basis with other carriers. As originally proposed, any sharing would have been between other carriers, but not with Ameritech. Although DS1's are readily affordable by large carriers with significant traffic volumes (like AT&T), the impact of this requirement on smaller carriers with lesser traffic volumes and/or carriers which are just entering the market may be more problematic. Therefore, Ameritech has gone beyond the requirements of the Act and has developed a new transport option called "Shared Company Transport." Under this arrangement, CLECs may obtain dedicated transport services at less than the DS1 level. The CLEC can specify any number of trunks, up to a total of 23, to be activated between two Ameritech offices. These trunks would terminate on the CLEC's trunk ports at either end. At 24 trunks, the CLEC would subscribe to a DS1 (which provides the equivalent of 24 voice-grade channels).

101. A Shared Company Transport arrangement provides the CLEC with two billing options. The first is a flat rate per trunk monthly charge that is 1/24th of the DS1 rate for each trunk. The second is a usage-sensitive option, based on minutes of use ("MOU"). The MOU price will be cost-based: the rates and rate structure will be the same as the TELRIC-based transport rates that apply under Reciprocal Compensation arrangements

approved in the AT&T Agreement for traffic terminated through a tandem, including per-MOU termination charges and per-mile/per-MOU facility mileage charges. These two billing options give the purchasing carrier pricing flexibility and allow it to better manage traffic volumes and patterns.

102. In conjunction with this Shared Company Transport option, Ameritech will make trunk ports available in single activated trunk increments up to a total of 23, so that purchasers of Shared Company Transport do not have to pay for a full DS1 trunk port when activating less than 24 trunks. The monthly rate for each activated port will be 1/24th of the DS1 port charge. Carriers can avail themselves of this option even if they already have an entire DS1 between two points.
103. Shared Company Transport will address some of the concerns that the IXCs have raised regarding traffic volumes at Ameritech's tandem offices. However, I believe that these concerns were greatly overstated in the first instance. Carriers like AT&T with significant traffic volumes would have used direct trunks whenever possible, and would only have sent traffic to Ameritech's tandem for low volume routes or as it built market share. For example, in presentations which AT&T has made to the FCC staff regarding ULS and unbundled transport, AT&T has assumed that 80% of its traffic would be carried by direct trunks and only 20% would be sent to a tandem. Furthermore, large IXCs would likely route longer haul, intraMSA traffic directly to their own POPs from the serving ULS end office (rather than routing it through Ameritech's tandem) and

combine it with their interMSA traffic for completion by Ameritech, just as they do when an Ameritech end user presubscribes to the IXC for its intraMSA "local toll" calling. Therefore, any increased traffic at Ameritech's tandems will be manageable in any event.

104. The Shared Company Transport offering further relieves any potential congestion at the tandem. Small carriers without enough traffic to justify a DS1 direct trunk between the ULS end office and another Ameritech end office will now find direct trunks economical, because they can purchase the connection on a single-trunk or minute-of-use basis. Thus, it would be my expectation that far more CLEC traffic will be direct-trunked and far less CLEC traffic will be routed to Ameritech's tandems than would have been the case under Ameritech's original proposal.
105. CLECs which subscribe to unbundled local transport on a dedicated or shared basis are purchasing a network element. Thus, for access charge purposes, they are the carrier providing access service to the IXCs when that unbundled local transport is used in conjunction with the requesting carrier's unbundled local switching line and trunk ports to carry originating or terminating access traffic, and are entitled to bill all transport-related and local switching carrier access charges to them. Ameritech would not bill any transport-related and local switching access charges in that situation, but would bill the CLEC for the unbundled local transport and unbundled switching services it provided. The same principle applies to Shared Company Transport. However, per the FCC's

transition plan, Ameritech would continue to bill the IXC for any remaining carrier common line charges ("CCLC") and residual interconnection charges ("RIC").

VI. CHECKLIST ITEM (vi): LOCAL SWITCHING

106. The Checklist (§ 271(c)(2)(B)(vi)) and the FCC's Regulations (47 C.F.R. § 51.319(c)) require BOCs to unbundle local switching from transport, local loop transmission or other services. The Regulations also require unbundling of local and tandem switching capabilities, including trunk-connect facilities; the basic switching function of connecting trunks to trunks; and the functions centralized in tandem switches (as opposed to end office switches). 47 C.F.R. § 51.319(c)(2). Ameritech's interconnection agreements satisfy these requirements.
107. As required by the Checklist and § 51.319(c)(1)(i) and (ii) of the FCC's Regulations, Ameritech is providing requesting telecommunications carriers access to Ameritech's unbundled local switching through line-side and trunk-side ports, including all features, functions and capabilities available in the switch for the port type requested, on a line-by-line basis. See Order, ¶ 412.^{79/} Other technically feasible switching features, functions and capabilities are available through the BFR Process.^{80/} Features, functions, and capabilities that are already equipped in the switch but which have not yet been activated may be ordered on a standard basis at rates that recover Ameritech's costs of activating

^{79/} AT&T Sch. 9.2.3(1.0); Sprint Sch. 9.2.3(1.0).

^{80/} AT&T Sch. 9.5(4.1.4); Sprint Sch. 9.5(4.1.4).

TAB 3

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Application of Ameritech
Michigan Pursuant to Section
271 of the Telecommunications
Act of 1996 to Provide In-
Region, InterLATA Services in
Michigan

CC Docket No. _____

Volume 2.8:
Affidavit of John B. Mayer
on Behalf of Ameritech Michigan

facility. If the trouble is caused by Ameritech's facilities, the NECC works with field personnel to promptly resolve the problem and communicate the status and resolution of trouble to the other carrier. If the electronic bonding method is utilized, the other carrier is able to monitor the status of these repair requests electronically.

V. CHECKLIST ITEM (v): INTEROFFICE TRANSMISSION FACILITIES

206. Interoffice transmission facilities are defined in Section 51.319(d) of the Commission's Rules as "incumbent LEC transmission facilities dedicated to a particular customer or carrier, or shared by more than one customer or carrier, that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers." As described in the AT&T Agreement (Sch. 9.5, § 5.0), Ameritech provides a variety of unbundled interoffice transmission facilities from the trunk side of its switches unbundled from switching and other elements.
207. Ameritech provides requesting carriers with access to the necessary OSS functions to obtain unbundled interoffice transmission facilities, including pre-ordering, ordering, provisioning, maintenance and repair, and billing functions. These functions address the particular operational needs involved in installing, provisioning and maintaining unbundled interoffice transmission facilities.